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*Attorneys for Defendant and  
Counterclaimant Empire Distribution Inc.*

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

TWENTIETH CENTURY FOX  
TELEVISION, a division of  
TWENTIETH CENTURY FOX  
FILM CORPORATION, a Delaware  
company, and FOX  
BROADCASTING COMPANY, a  
Delaware corporation,

Plaintiffs,

v.

EMPIRE DISTRIBUTION, INC., a  
California corporation,

Defendant.

*Caption continued on next page.*

Case No. 2:15-cv-02158-PA-FFM

Hon. Percy Anderson

**EMPIRE DISTRIBUTION, INC.'S  
COUNTERCLAIMS FOR:**

- 1. FEDERAL TRADEMARK  
INFRINGEMENT**
- 2. FEDERAL TRADEMARK  
DILUTION**
- 3. FEDERAL UNFAIR COMPETITION**
- 4. CALIFORNIA STATUTORY  
UNFAIR COMPETITION AND  
FALSE ADVERTISING**
- 5. CALIFORNIA COMMON LAW  
TRADEMARK INFRINGEMENT**
- 6. CALIFORNIA TRADEMARK  
DILUTION**

**DEMAND FOR JURY TRIAL**

1 EMPIRE DISTRIBUTION, INC., a  
2 California corporation,

3 Counterclaimant,

4 v.

5 TWENTIETH CENTURY FOX  
6 TELEVISION, a division of  
7 TWENTIETH CENTURY FOX  
8 FILM CORPORATION, a Delaware  
company, and FOX  
BROADCASTING COMPANY, a  
Delaware corporation,

9 Counter-Defendants.  
10

11 Defendant and Counterclaimant Empire Distribution, Inc. (“Empire”) hereby  
12 asserts its Counterclaims against Plaintiffs and Counter-Defendants Twentieth  
13 Century Fox Television, a division of Twentieth Century Fox Film Corporation,  
14 and Fox Broadcasting Company (collectively “Fox”) as follows:

### 15 **INTRODUCTION**

16 1. Fox filed this suit as a preemptive ploy to deprive Empire of its natural  
17 position as the plaintiff. This case arises out of Fox’s willful infringement of  
18 Empire’s well-established trademarks and Fox’s unfair, unlawful and deceptive  
19 business practices in violation of federal and state law. Fox’s rampant,  
20 unauthorized use of the “Empire” name to promote, market, distribute and sell its  
21 television program and music has caused, and will continue to cause, significant  
22 confusion to Empire’s customers and irreparable harm to the identity and brand that  
23 Empire has built over many years.

### 24 **THE PARTIES**

25 2. Empire is a California corporation with its principal place of business  
26 at 16 Maiden Lane, San Francisco, CA 94108.

27 3. Upon information and belief, Counter-Defendant Twentieth Century  
28 Fox Film Corporation (“Fox Film”) is a Delaware corporation with its principal

1 place of business at 10201 West Pico Boulevard, Los Angeles, California 90064.

2 Upon information and belief, Fox Film purports to own certain intellectual property  
3 rights in and to the television series *Empire* and the music therefrom.

4 4. Upon information and belief, Counter-Defendant Twentieth Century  
5 Fox Television (“Fox TV”) is a division of Fox Film. Fox TV creates and produces  
6 television programs.

7 5. Upon information and belief, Counter-Defendant Fox Broadcasting  
8 Company (“Fox Broadcasting”) is a Delaware corporation with its principal place  
9 of business at 10201 West Pico Boulevard, Los Angeles, California 90064. Upon  
10 information and belief, Fox Broadcasting operates the Fox Network, a national  
11 broadcast television network with 203 affiliates in the United States.

## 12 **JURISDICTION AND VENUE**

13 6. This Court has original jurisdiction over this action under 28 U.S.C. §§  
14 1331 and 1338(a) and (b) as it involves claims presenting federal questions under  
15 15 U.S.C. § 1121(a) (actions arising under the Lanham Act have original  
16 jurisdiction in federal courts). This Court also has supplemental jurisdiction over  
17 the state statutory and common law claims under 28 U.S.C. §§ 1338(b) and 1367(a)  
18 because these claims are so related to the claims under which the Court has original  
19 jurisdiction that they form part of the same case and controversy under Article III of  
20 the United States Constitution.

21 7. Fox is subject to this Court’s general and specific personal jurisdiction  
22 because it is domiciled in the State of California and has sufficient minimum  
23 contacts with the State of California.

24 8. Venue is proper in this District under 28 U.S.C. § 1391(b)(1) and (2)  
25 because the parties are residents of this District and a substantial part of the acts or  
26 events giving rise to the claims occurred in this District.

27

28

**FACTS COMMON TO ALL COUNTERCLAIMS**

9. Empire is a well-known music record label and music distribution company that continuously since 2010 has released albums in a wide variety of genres, specifically focusing on hip hop, rap, and R&B, under the trademarks EMPIRE™, EMPIRE DISTRIBUTION™ and EMPIRE RECORDINGS™ (the “Marks”). Empire promotes, markets and sells its music through various channels of commerce including, but not limited to, its websites (see <http://empi.re> and [www.empiredistribution.com](http://www.empiredistribution.com)).

10. Over the past five years, Empire has become one of the largest distributors and producers of music in the country. It has had numerous Billboard charting releases from well-recognized artists under its label, having partnered with notable artists such as Kendrick Lamar, Migos, Too Short, Slim Thug, Rich Homie Quan, Sage the Gemini and Snoop Dogg. Songs released by Empire under the EMPIRE DISTRIBUTION and EMPIRE RECORDINGS mark have earned platinum and gold records, and the label has sponsored sold-out showcases under its name at events such as South by Southwest.

11. Under both Marks, Empire has built relationships across the music industry to successfully record, promote, and distribute platinum-and gold-certified records. As part of its partnership with Universal/Republic Records, Empire was recognized by the Recording Industry Association of America for its role in selling over 1,500,000 records for the artist Sage the Gemini.

12. The following images depict the Marks in use alongside the Republic Records mark in Empire and Republic’s RIAA-certified platinum plaque commemorating their sale of over 1,000,000 copies of the record “Gas Pedal” and their sale of over 500,000 copies of the record “Red Nose.”



13. Empire and its partners have now sold over 3,000,000 records for artist Sage the Gemini. “Red Nose” is being certified platinum (over one million sales) and “Gas Pedal” is almost double platinum.

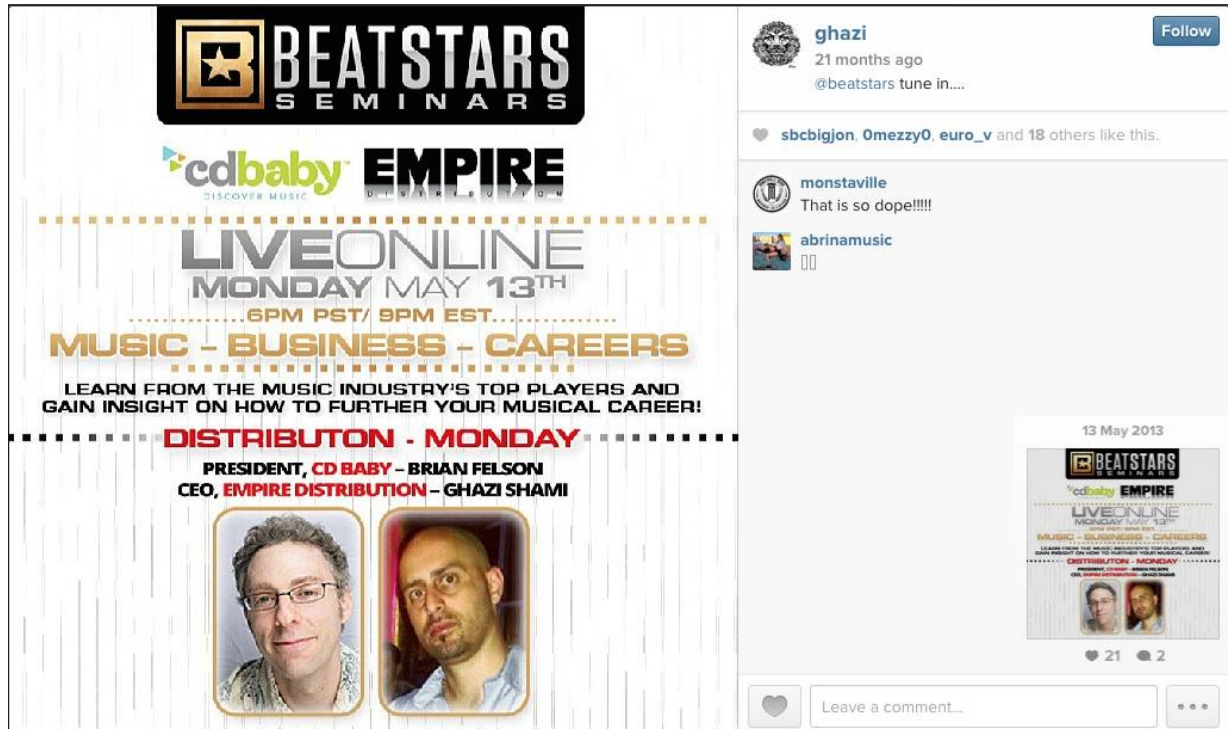
14. The Marks have been used prominently in press releases and coverage of those records. Separately, Empire is engaged in an ongoing relationship with Atlantic Records to co-develop, distribute, and market artists. Through its partnership with eOne and others, Empire has distributed, marketed, and sold thousands of physical records under its Marks domestically and around the world.

15. Beyond this widespread exposure, the Marks have been the subject of broad advertising and promotional campaigns, leading to a prominent presence, both online and offline, as the images below demonstrate. The Marks became a recognized symbol for quality music and music services years ago. As a result, the Marks are well known among the relevant consuming public as identifying Empire's goods and services.

16. For example, one of Empire's Marks was promoted online and in person at the A3C hip hop festival in October 2012, as the image below demonstrates.



17. One of Empire's Marks was used to promote the company as a leader in the music recording, promotion, and digital distribution space as part of a Beatstars seminar in May 2013.



18. One of Empire's Marks was included among other prominent music and consumer brands at the BET awards weekend in June 2013.



19. Due to the tremendous amount of valuable goodwill Empire has developed in the Marks, it cannot permit their unauthorized use, because such use is likely to cause confusion among the public as to the source, origin, sponsorship, or affiliation of services identified by the Marks, but not authorized by Empire.

20. The recent debut of Fox's television program "Empire" -- over five years after Empire began using the Marks -- has created significant confusion with Empire's products and services in the marketplace. The program follows the fictional hip hop music label named "Empire Enterprises." Producers of "Empire" have publicly stated that the show's events, business, and characters are based on entities and individuals from the real-world music industry. Numerous consumers, artists and Empire's business partners have expressed confusion to Empire as to whether the fictional "Empire" program has any affiliation or business relationship with the real-life Empire, which it does not.

21. Fox's use of the "Empire" mark below in all upper case letters, the same font treatment as in Empire's marks, has significantly exacerbated this confusion.

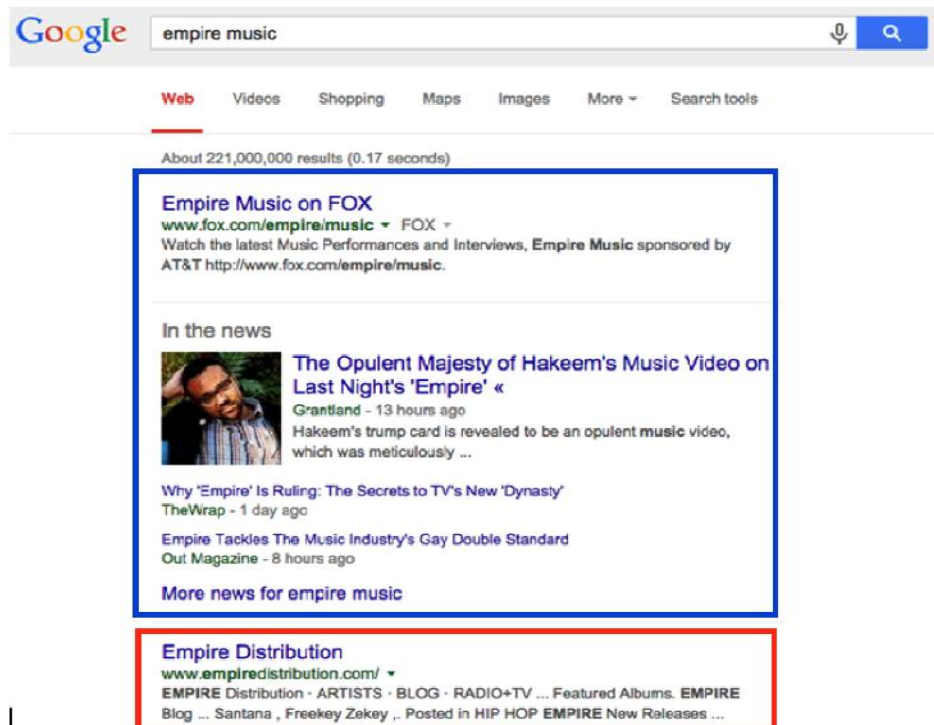


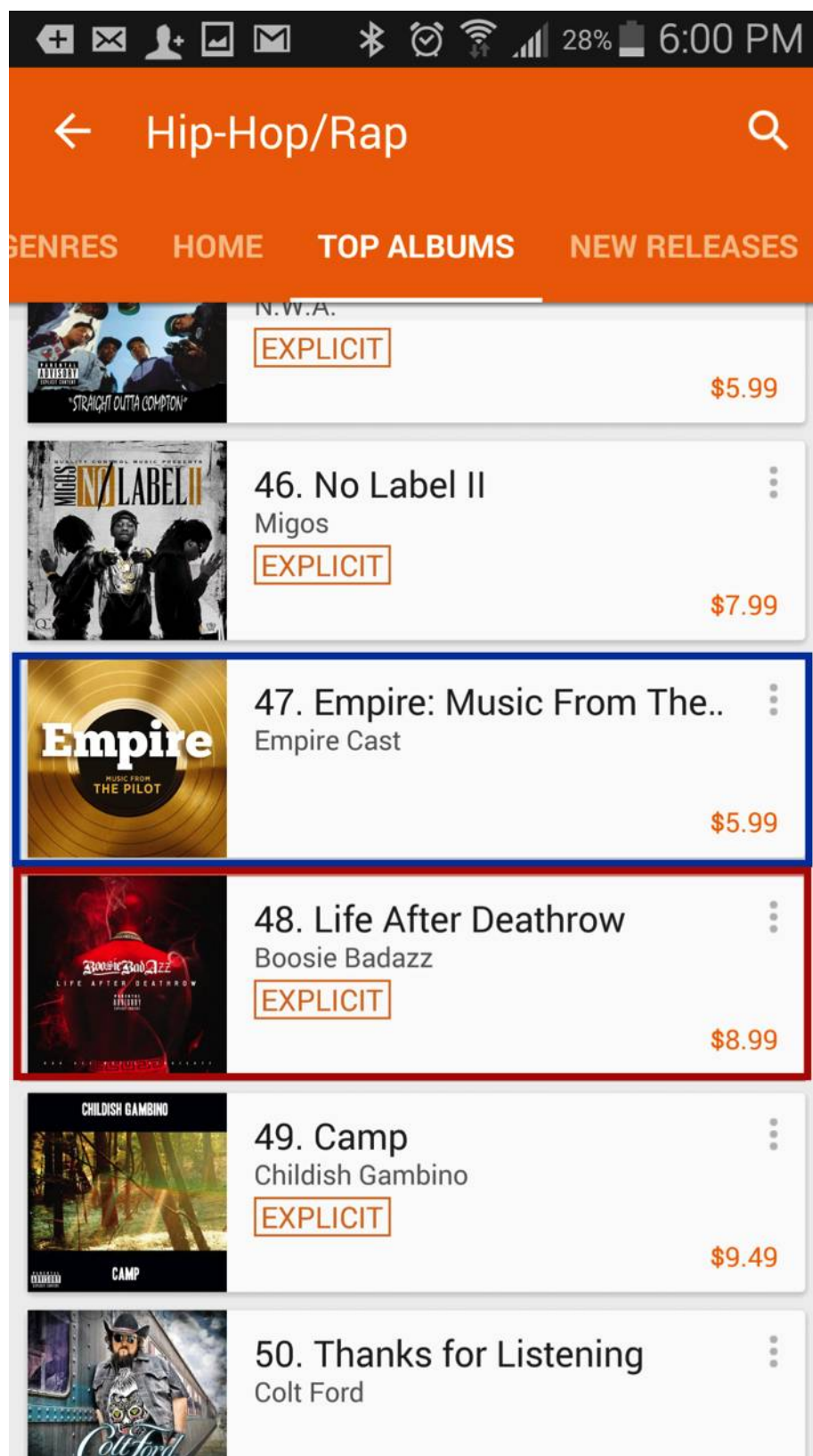
22. Fox's use of a city skyline graphic in conjunction with the "Empire" mark, a combination originating with and made famous by Empire, in both

1 marketing materials and merchandise, such as the gold necklace depicted below  
 2 that is worn by one of the main characters on Fox's television series, has made the  
 3 confusion between the marks inescapable.



11 23. Moreover, Fox advertises, distributes and sells music under the  
 12 "Empire" mark. Because this music shares the same search terms and genres as  
 13 Empire's music, the albums and songs have been positioned in close proximity in  
 14 online stores such as iTunes, Google Play, Amazon.com, and Spotify. As  
 15 demonstrated by the images below, this further perpetuates damaging public  
 16 confusion.





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## Top Albums

Songs Albums Music Videos Hip-Hop/Rap

|  |   |   |   |  |   |   |  |   |   |
|--|---|---|---|--|---|---|--|---|---|
| 1. Full Speed<br>Kid Ink<br>\$9.99                             | 2. 2014 Forest Hills Drive<br>J. Cole<br>\$9.99                 | 3. The Pinkprint (Deluxe Version)<br>Nicki Minaj<br>\$14.99 | 4. The Red Balloon Project<br>Skriz Mars<br>\$9.99              | 5. Dark Sky Paradise (Deluxe)<br>Big Sean<br>\$12.99   | 6. Hogg Life: The Beginning<br>Slim Thug<br>\$9.99              | 7. B4.DA.55<br>Joey Badass<br>\$11.99                           | 8. Tetsuo & Youth<br>Lupe Fiasco<br>\$10.99                      | 9. The Young OG<br>Project<br>\$9.99              | 10. Take Care (Deluxe Version)<br>Drake<br>\$7.99 |
| 11. Empire: Music From the Pilot - EP<br>Empire Cast<br>\$5.25 | 12. Luca Brasi 2: A Gangsta's Grizz...<br>Kevin Gates<br>\$9.99 | 13. These Things Happen<br>G-Eazy<br>\$9.99                 | 14. DremLife<br>Rae Sremmurd<br>\$9.99                          | 15. Because the Internet<br>Childish Gambino<br>\$9.99 | 16. Empire: Music From The Outspoke...<br>Empire Cast<br>\$5.16 | 17. Miss E...So Addictive<br>Missy Elliott<br>\$5.99            | 18. Under Pressure (Deluxe Version)<br>Logic<br>\$11.99          | 19. Kasi<br>Childish Gambino<br>\$6.99            | 20. Graduation<br>Kanye West<br>\$7.99            |
| 21. Empire<br>Derek Minor<br>\$10.99                           | 22. Under Construction<br>Missy Elliott<br>\$5.99               | 23. Anomaly<br>Leona<br>\$11.99                             | 24. Watch the Throne (Deluxe...<br>Jay Z & Kanye West<br>\$7.99 | 25. SHADYXV<br>Various Artists<br>\$15.99              | 26. The College Dropout<br>Kanye West<br>\$7.99                 | 27. Nothing Was the Same<br>Drake<br>\$13.99                    | 28. My Beautiful Dark Twisted...<br>Kanye West<br>\$7.99         | 29. Under Construction<br>Missy Elliott<br>\$5.99 | 30. The Marshall Mathers LP<br>Eminem<br>\$7.99   |
| 31. 2Pac: Greatest Hits<br>2Pac<br>\$14.99                     | 32. The Eminem Show<br>Eminem<br>\$7.99                         | 33. Supa Dupa Fly<br>Missy Elliott<br>\$5.99                | 34. Blacc Hollywood (Deluxe Version)<br>Wiz Khalifa<br>\$12.99  | 35. The Cookbook<br>Missy Elliott<br>\$5.99            | 36. The Marshall Mathers LP2...<br>Eminem<br>\$15.99            | 37. What Happened To the World (Stre...<br>The Roots<br>\$11.99 | 38. good kid, m.A.A.d city (Delu...<br>Kendrick Lamar<br>\$15.99 | 39. The Pinkprint<br>Nicki Minaj<br>\$11.99       | 40. Slow Motion<br>Jarren Benton<br>\$5.99        |

## New Music

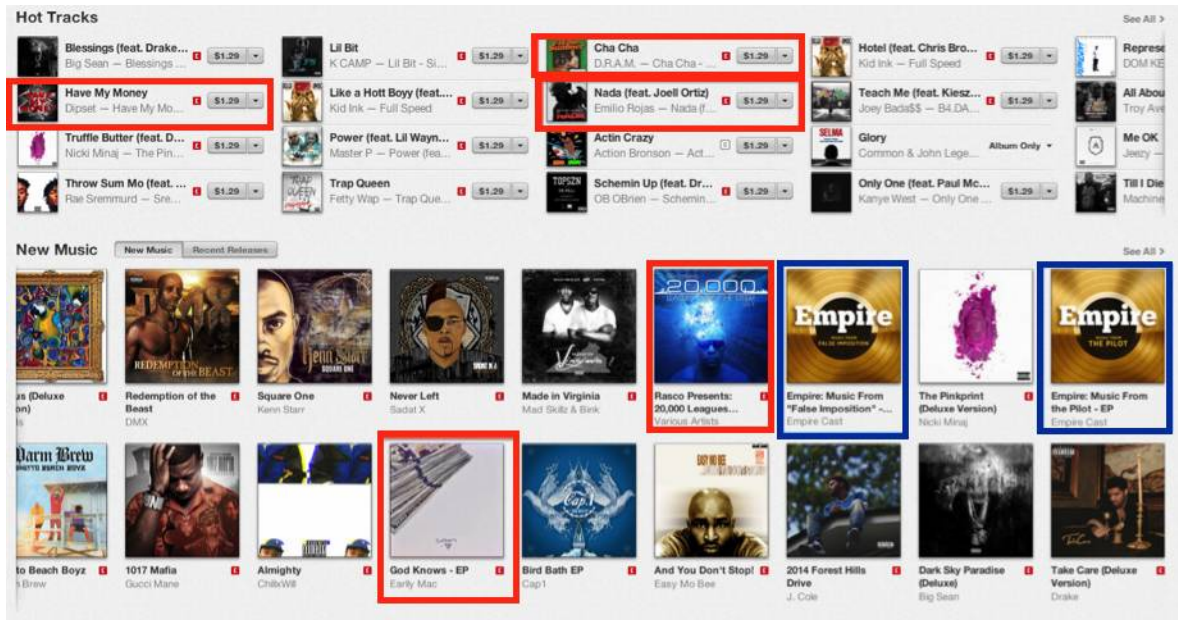
New Music Recent Releases See All >

|                                      |  |  |   |   |  |                        |  |                                  |
|--------------------------------------|--|--|---|---|--|------------------------|--|----------------------------------|
| Reflection (Deluxe)<br>Fifth Harmony | Now That's What I Call Music, Vol. 53<br>Various Artists | Wallflower (Deluxe Edition)<br>Diana Krall | Non-Fiction (Deluxe)<br>Ne-Yo                                 | Hogg Life: The Beginning<br>Slim Thug         | Doug Loves Movies: Tournament of...<br>Doug Benson | Codename X<br>Excision | Medicine<br>Drew Holcomb & The...        | Afraid of Ghosts<br>Butch Walker |
| Full Speed<br>Kid Ink                | Shadows in the Night<br>Bob Dylan                        | The Red Balloon Project<br>Skriz Mars      | We Will Not Be Shaken (Live) [Deluxe Edition]<br>Bethel Music | I Will Follow (Deluxe Edition)<br>Jeremy Camp | We Will Not Be Shaken (Live)<br>Bethel Music       | F.E.A.R.<br>Papa Roach | Wanted On Voyage (Deluxe)<br>George Ezra | Wolves<br>American Aquarium      |

## Hot Tracks

Hot Tracks See All >

|  |  |   |   |                      |
|--|--|---|---|----------------------|
| Heartbeat Song<br>Kelly Clarkson — Piece B...    | I'm To Blame<br>Kip Moore — I'm To Bla...                  | Turn Into the Noise (Fro...<br>Patrick Watson — Turn L... | Not For Long (feat. Tr...<br>B.o.B — Not For Long ... | Time of<br>Pitbull & |
| The Best Room<br>Modest Mouse — Strang...        | Brother (feat. Gavin De...<br>NEEDTOBREATHE — Br...        | Body Talk (Mammoth) [f...<br>Dimitri Vegas, MOGUAI &...   | FourFiveSeconds<br>Rihanna and Kanye West...          | Knock M<br>Fancy R   |
| Absolution Calling<br>Incubus — Absolution C...  | Drip Drop (feat. Yazz an...<br>Empire Cast — Drip Drop...  | Freakout!<br>Mini Mansions — Freat...                     | Really Love<br>D'Angelo and The Vangu...              | Oh Jah<br>Eddie M    |
| When I Was Your Man<br>Thomas Rhett — When I ... | The Point of It All (feat. ...<br>Empire Cast — Empire ... | Bright<br>Echosmith — Talking Dre...                      | Stylin'<br>Protoje — Ancient Future                   | One Las<br>Vaults —  |



24. There is nothing “fictional” about Fox’s music distribution operations. Like other record labels, Fox has an online account with Mediabase, a music industry service that monitors radio station airplay in the United States and Canadian markets and provides in-depth analytical tools for radio and record industry professionals.

25. Fox also promotes, markets and advertises its music and artists under the “Empire” mark at radio stations, live performances, events, physical record stores, and other venues where Empire promotes, markets and advertises its music and artists.

26. For example, Empire’s franchise artist, Rayven Justice, recently met with internationally renowned DJ Crisco Kidd, at a Dallas radio station to promote his new single. Fox’s “Empire” artists, Yazz and Jussie, met with Crisco Kidd the very next day, at the very same radio station, to promote their new single.



314 likes

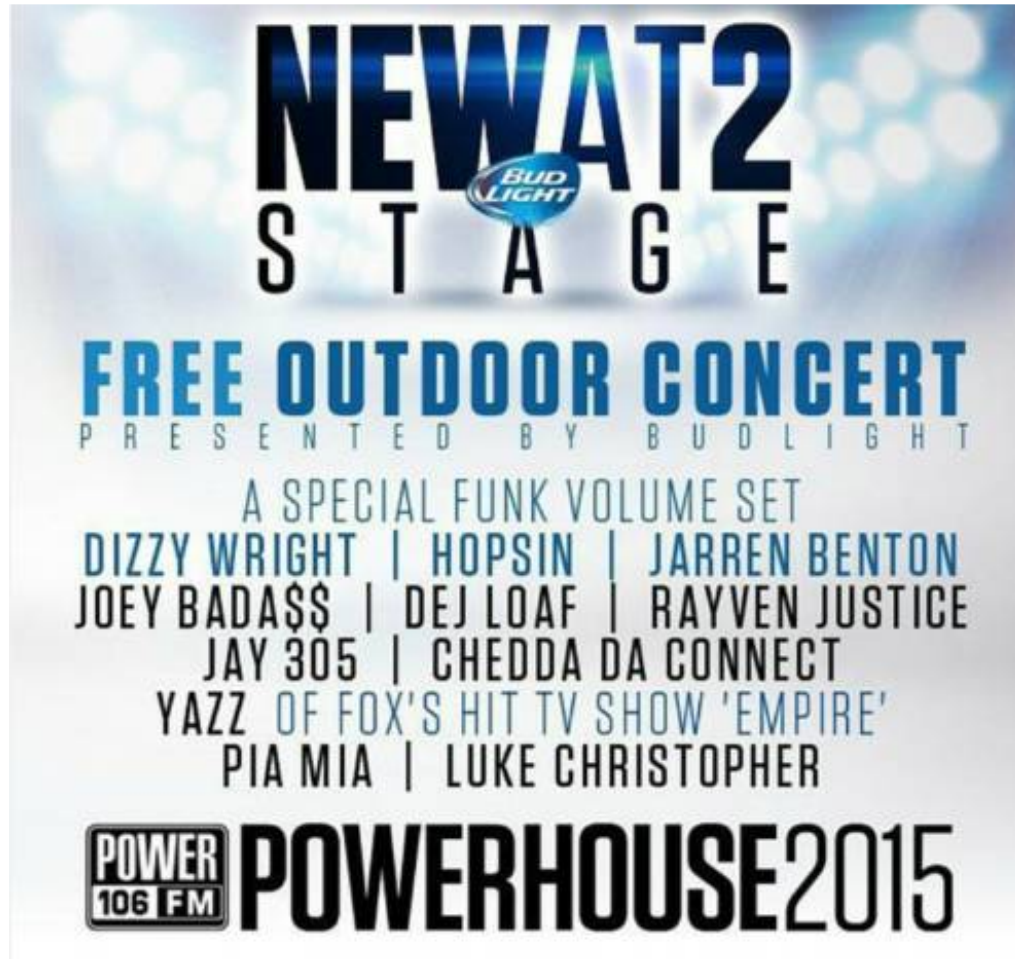
rayvenjustice #shoutout to my brother @criscokidd for the dope interview on @hot933hits and #shoutout to all the rest of my fam at @hot993hits I appreciate the support! #RJMG #Empire #Nufaceent



260 likes

criscokidd Yazz & Jussie on the block! These boys puttin' in work. #Empire #CriscoKiddBlockParty view all 15 comments  
shirleycurly039 I've never been so jealous in my life!  
shirleycurly039 @tonitrann

27. The rap artist Yazz from Fox’s “Empire” program was recently promoted, with the “Empire” mark, alongside multiple Empire rap artists, including Dizzy Wright, Hopsin, Jarren Benton, Rayven Justice and Pia Mia, for a concert sponsored by one of the largest radio stations in the country, Power 106 FM.



28. Remarkably, Yazz is the only artist credited with the “Empire” logo, despite there being five other artists affiliated with Empire – the true owner of the Mark.

29. Fox’s misuse of the “Empire” name has confused other artists and their followers. For example, Shaggy, a Grammy award winner and one of the best selling reggae musicians of all time, posted Empire’s logo on the internet, and one follower commented “#teamCookie” in reference to one of the lead characters on Fox’s “Empire” program, Cookie Lyon.

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30. A rap and hip hop music company, Gslaps Entertainment, recently posted a comment on its Facebook site praising Empire for the fame, success and longevity of the “Empire logo” over the years, yet had to clarify that it was “NOT the TV show.”

**GSlaps**

March 25 at 10:11am · 🌐

I've seen a lot of love and support being shown to @empiredistribution since last night and to be honest, I would feel ashamed if I didn't do the same. The last few years, I was noticing the Empire logo on the back covers of some of my favorite artists' projects. In July 2014, I was fortunate enough to get in contact with @nima\_empire (thank you Matt from Thizzler), and he agreed to have Empire (NOT the TV show) digitally distribute the music of @JohnnyPhrank and @Alocodaman; two artists who I manage. THEY ARE #TheRealEmpire. Shouts to the Empire team, Nima for giving us the opportunity and Empire founder, @ghazi.



31. The Lanham Act and similar state laws prohibit Fox's use of a trademark in connection with the advertising or sale of any goods or services when such use is likely to cause confusion as to the source of those goods or services. 15 U.S.C. §§ 1114, 1125(a). The Lanham Act also prohibits any person or entity from

1 using a word or name in a manner that is likely to cause confusion as to the  
2 affiliation, connection or association with another person or entity.

3 32. Fox's unauthorized use of the Empire Marks has already confused and  
4 is likely to continue to confuse members of the public into believing that Fox is an  
5 approved licensee of or otherwise affiliated with Empire, the very type of deception  
6 that these laws prohibit. Moreover, Fox's "Empire's" portrayal of a label run by a  
7 homophobic drug dealer prone to murdering his friends, threatens to tarnish the  
8 brand and harm the goodwill built by Empire.

### 9 **FIRST COUNTERCLAIM**

#### 10 **(Federal Trademark Infringement under 15 U.S.C. § 1125(a) against All** 11 **Counter-Defendants)**

12 33. Empire realleges and incorporates herein the allegations contained in  
13 paragraphs 1-32 of this Counterclaim.

14 34. Empire has valid trademarks that are entitled to protection, including  
15 the marks EMPIRE™, EMPIRE DISTRIBUTION™ and EMPIRE  
16 RECORDINGS™.

17 35. Empire has continuously and extensively used its Marks in commerce  
18 to identify its goods and services in the United States and worldwide, long before  
19 Fox began using the "Empire" mark.

20 36. Fox has used, and continues to use, its virtually identical and  
21 confusingly similar "Empire" name, along with other words, terms, names,  
22 symbols, or devices, or any combination thereof, in commerce, to market, promote,  
23 advertise and sell its goods and services, without Empire's consent.

24 37. Fox's improper and unauthorized use of the "Empire" name constitutes  
25 false designations of origin, false or misleading descriptions of fact, or false or  
26 misleading representations of fact, which is likely to cause confusion, to cause  
27 mistake, or to deceive others as to the affiliation, connection, or association of Fox  
28

1 with Empire, or as to the origin, sponsorship, or approval of Fox's goods, services,  
2 or commercial activities by Empire, in violation of 15 U.S.C. § 1125(a).

3 38. Fox also misrepresents the nature, characteristics, qualities, or  
4 geographic origin of its goods, services, or commercial activities, through its  
5 improper and unauthorized use of the "Empire" name in commercial advertising or  
6 promotion, in violation of 15 U.S.C. § 1125(a).

7 39. As a result of Fox's trademark infringement and wrongful conduct,  
8 Empire has suffered substantial and irreparable injury, and will continue to suffer  
9 irreparable injury unless such conduct is preliminarily and permanently enjoined by  
10 this Court. This injury includes, but is not limited to, the loss of goodwill and  
11 reputation that cannot be remedied solely through damages.

12 40. Empire has no adequate remedy at law and is entitled to preliminary  
13 and permanent injunctive relief pursuant to 15 U.S.C. § 1116 restraining and  
14 enjoining Fox and its officers, directors, agents, employees, representatives, and  
15 any persons or entities acting thereunder, in concert with, or on their behalf, from  
16 using the "Empire" Marks in commerce.

17 41. Pursuant to 15 U.S.C. § 1117, Empire is also entitled to recover Fox's  
18 profits; all damages sustained by Empire; up to three times the amount of actual  
19 damages; and the costs incurred in this action.

20 42. Fox's willful use of Empire's Marks without excuse or justification  
21 renders this an exceptional case entitling Empire to recover its reasonable attorneys'  
22 fees.

## 23 **SECOND COUNTERCLAIM**

### 24 **(Federal Trademark Dilution under 15 U.S.C. § 1125(c) against all Counter-** 25 **Defendants)**

26 43. Empire realleges and incorporates herein the allegations contained in  
27 paragraphs 1-42 of this Counterclaim.  
28

44. Empire's Marks are famous and distinctive, and became famous and distinctive well before Fox's admittedly recent use of the "Empire" mark.

45. Fox's use of the "Empire" name in connection with the advertisement and sale of its goods and services is likely to cause dilution by blurring or tarnishment of Empire's Marks. For example, Fox's "Empire's" portrayal of a record label run by a homophobic drug dealer prone to murdering his friends threatens to tarnish the brand and harm the goodwill built by Empire.

46. As a result of Fox's trademark infringement and wrongful conduct, Empire has suffered substantial harm and is entitled to recover Fox's profits; all damages sustained by Empire; up to three times the amount of actual damages; and the costs incurred in this action, pursuant to 15 U.S.C. § 1117.

47. Fox's willful use of Empire's Marks without excuse or justification renders this an exceptional case entitling Empire to recover its reasonable attorneys' fees.

48. Empire has suffered, and will continue to suffer, irreparable injury. Unless such conduct is preliminarily and permanently enjoined by this Court, Fox will continue to engage in such wrongful conduct to the detriment of Empire and its Marks. This injury includes, but is not limited to, the loss of goodwill and reputation that cannot be remedied through damages.

49. Empire has no adequate remedy at law and is entitled to preliminary and permanent injunctive relief pursuant to 15 U.S.C. § 1116, restraining and enjoining Fox and its agents, servants, employees, and all persons acting thereunder, in concert with, or on their behalf, from using the Marks in commerce.

### **THIRD COUNTERCLAIM**

#### **(Federal Unfair Competition under 15 U.S.C. § 1125(a) against all Counter-Defendants)**

50. Empire realleges and incorporates herein the allegations contained in paragraphs 1-49 of this Counterclaim.

1           51. Fox has deliberately and willfully attempted to trade on Empire's  
2 longstanding and hard-earned goodwill in its Marks and the reputation Empire  
3 established in connection with its products and services, as well as in order to  
4 confuse consumers as to the origin and sponsorship of Fox's goods and services  
5 and to unfairly compete by promoting those goods and services in commerce as  
6 those of Empire.

7           52. Fox's unauthorized and wrongful conduct also has deprived and will  
8 continue to deprive Empire of the ability to control consumer perception of  
9 products and services offered under its Marks.

10          53. Fox's conduct in adopting and using its "Empire" name is likely to  
11 cause confusion, mistake or deception as to the affiliation, connection or association  
12 of Fox and its goods and services with Empire, and as to the sponsorship, origin or  
13 approval of Fox and its goods and services, in violation of 15 U.S.C. § 1125(a).

14          54. As a result of Fox's trademark infringement and wrongful conduct,  
15 Empire has suffered, and will continue to suffer, irreparable injury. Unless such  
16 conduct is preliminarily and permanently enjoined by this Court, Fox will continue  
17 to engage in such wrongful conduct to the detriment of Empire and its Marks. This  
18 injury includes, but is not limited to, the loss of goodwill and reputation that cannot  
19 be remedied through damages.

20          55. Empire has no adequate remedy at law and is entitled to preliminary  
21 and permanent injunctive relief pursuant to 15 U.S.C. § 1116 restraining and  
22 enjoining Fox and its agents, servants, employees, and all persons acting  
23 thereunder, in concert with, or on their behalf, from using the "Empire" Marks in  
24 commerce.

25          56. Pursuant to 15 U.S.C. § 1117, Empire is also entitled to recover Fox's  
26 profits; all damages sustained by Empire; up to three times the amount of actual  
27 damages; and the costs incurred in this action.

28

57. Fox's willful use of Empire's Marks without excuse or justification renders this an exceptional case entitling Empire to recover its reasonable attorneys' fees.

#### **FOURTH COUNTERCLAIM**

#### **(Statutory Unfair Competition and False Advertising under California Business and Professions Code §§ 17200 and 17500 et seq. against all Counter-Defendants)**

58. Empire realleges and incorporates herein the allegations contained in paragraphs 1-57 of this Counterclaim.

59. By the conduct described above, Fox has engaged in unlawful, unfair and/or fraudulent business acts or practices, and unfair, deceptive, untrue or misleading advertising.

60. By the conduct described above, Fox has made untrue and misleading statements in connection with its promotion, marketing, advertisement and sale of its goods and services, which they knew, or by the exercise of reasonable care should have known, were untrue or misleading.

61. Fox's untrue and misleading statements in connection with its promotion, marketing, advertisement and sale of its goods and services are likely to deceive members of the public.

62. Fox's wrongful conduct constitutes unfair competition and false advertising under California Business and Professions Code §§ 17200 et seq. and 17500 et seq.

63. As a direct and proximate result of Fox's conduct, Empire has suffered, and will continue to suffer, damages to its business, reputation and goodwill.

64. Fox should be ordered to pay restitution and disgorge its profits gained from its wrongful conduct.

65. Unless Fox's conduct is preliminarily and permanently enjoined, Empire will continue to suffer irreparable injury for which there is no adequate remedy at law.

### **FIFTH COUNTERCLAIM**

#### **(California Common Law Trademark Infringement against all Counter-Defendants)**

66. Empire realleges and incorporates herein the allegations contained in paragraphs 1-65 of this Counterclaim.

67. Fox's use of the "Empire" name to advertise, market, promote and sell its products and services has created a likelihood of confusion, mistake or deception, and therefore infringes on Empire's Marks in violation of the common law of the State of California.

68. As a direct and proximate result of Fox's conduct, Empire has suffered, and will continue to suffer, damages to its business, reputation and goodwill.

69. Unless Fox's conduct is preliminarily and permanently enjoined, Empire will continue to suffer irreparable injury for which there is no adequate remedy at law.

### **SIXTH COUNTERCLAIM**

#### **(Trademark Dilution under California Business and Professions Code § 14247 against all Counter-Defendants)**

70. Empire realleges and incorporates herein the allegations contained in paragraphs 1-69 of this Counterclaim.

71. Empire's Marks are famous and distinctive, and they became famous and distinctive well before Fox's unauthorized use of the "Empire" name.

72. Fox's willful use of the "Empire" name in connection with the advertisement and sale of its goods and services is likely to cause dilution by blurring or tarnishment of Empire's Marks.

73. Empire has suffered, and will continue to suffer, substantial and irreparable injury, and has no adequate remedy at law.

1 pursuant to 15 U.S.C. § 1117(a), California Business and Professions Code  
2 § 14250, or as otherwise available under federal or state statutory or common law;

3 5. That Fox pay restitution and disgorge its profits for all ill-gotten gains  
4 from its wrongful conduct, as available under federal or state statutory or common  
5 law;

6 6. That Fox reimburse Empire for all of its reasonable costs and  
7 attorneys' fees pursuant to 15 U.S.C. §1117(a), or other applicable federal or state  
8 statutory or common law;

9 7. That Fox pay pre-judgment and post-judgment interest to the fullest  
10 extent permitted by law; and

11 8. That the Court grant such other relief as it deems just, equitable or  
12 appropriate.

13  
14 Dated: June 4, 2015

TROUTMAN SANDERS LLP

15  
16 By: /s/ Paul L. Gale

17 Paul L. Gale  
18 Peter N. Villar  
19 John M. Bowler  
20 Michael D. Hobbs

21 *Attorneys for Defendant and*  
22 *Counterclaimant Empire*  
23 *Distribution Inc.*  
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**DEMAND FOR JURY TRIAL**

In accordance with Fed. R. Civ. P. 38, Empire demands a trial by jury on all issues so triable.

Dated: June 4, 2015

TROUTMAN SANDERS LLP

By: /s/ Paul L. Gale

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